government and its existing public institutions, and shall take effect immediately.

Passed the House March 2, 1984.

Passed the Senate February 24, 1984.

Approved by the Governor March 28, 1984, with the exception of a portion of section 2(7) which was vetoed.

Filed in Office of Secretary of State March 28, 1984.

Note: Governor's explanation of partial veto is as follows:

I am returning herewith, without my approval as to one provision, Engrossed Substitute House Bill No. 255, entitled:

"AN ACT Relating to watercraft."

A portion of section 2(7) would exempt from registration watercraft under 16 feet in overall length not used in waters subject to Federal jurisdiction.

I appreciate the legislature's desire to limit boat registration requirements as much as possible and still qualify for Federal funding. However, a registration requirement conditioned on the type of water in which the boat will be used would create several problems:

1. It is impossible for both users and registration agencies to determine in advance where a boat will be used in the following 12 months.

2. A lack of registrations on a large number of the motorized boats under 16 feet in length would make enforcement of both the registration law and boating safety laws very difficult. This is particularly so since the distinction between Federal and state waters is often quite unclear.

3. This provision could foster widespread non-compliance with the registration law. This in turn could jeopardize Federal funding.

4. It would cause a loss of state revenues.

With the exception of a portion of section 2(7), Engrossed Substitute House Bill No. 255 is approved.

## CHAPTER 251

## [Engrossed Substitute Senate Bill No. 4490] ELECTRIC HEAT-----TERMINATION OF SERVICE

AN ACT Relating to residential space heating; amending section 35.21.300, chapter 7, Laws of 1965 and RCW 35.21.300; amending section 80.28.010, chapter 14, Laws of 1961 and RCW 80.28.010; adding a new section to chapter 35.21 RCW; adding new sections to chapter 54.16 RCW; and adding a new section to chapter 80.28 RCW.

Be it enacted by the Legislature of the State of Washington:

\*Sec. 1. Section 35.21.300, chapter 7, Laws of 1965 and RCW 35.21-.300 are each amended to read as follows:

(1) The lien for charges for service by a city waterworks, or electric light or power plant may be enforced only by cutting off the service until the delinquent and unpaid charges are paid, except that until June 30, 1986, electricity for residential space heating may be terminated between November 15 and March 15 only as provided in subsection (2) of this section. In the event of a disputed account and tender by the owner of the

premises of the amount he claims to be due before the service is cut off, the right to refuse service to any premises shall not accrue until suit has been entered by the city and judgment entered in the case.

(2) Until June 30, 1986:

(a) Electricity for residential space heating shall not be terminated between November 15 through March 15 if the customer:

(i) Notifies the utility of the inability to pay the bill. This notice shall be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances;

(ii) Brings a statement from the department of social and health services or a grantee of the planning and community affairs agency which administers federally funded energy assistance programs, that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and which provides a dollar figure that is seven percent of household income;

(iii) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any assistance received will be applied to the current bill and future utility bills;

(iv) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is applicable for the dwelling;

(v) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15 and to pay for continued utility service. The plan shall not require monthly payments in excess of seven percent of the customer's monthly income during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but the plan shall not be invalidated unless payment during this period is less than seven percent. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(vi) Agrees to pay the moneys owed even if he or she moves.

(b)The utility shall:

(i) Include in any notice that an account is delinquent and that service may be subject to termination a description of the customer's duties in this subsection;

(ii) Assist the customer in fulfilling the requirements under this subsection;

(iii) Be authorized to transfer an account to a new residence when a customer who has established a plan under this subsection moves from one residence to another within the same utility service area; and

(iv) Be permitted to disconnect service if the customer fails to honor the payment program. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this subsection. (c) In distributing energy assistance funds pursuant to 42 U.S.C. Sec. 8624, the department of social and health services and grantees of the planning and community affairs agency shall make all payments either directly to the utility or jointly payable to the customer and the utility.

(3) All municipal utilities shall offer residential customers the option of a budget billing or equal payment plan.

\*Sec. I was partially vetoed, see message at end of chapter.

\*<u>NEW SECTION.</u> Sec. 2. There is added to chapter 54.16 RCW a new section to read as follows:

(1) A district providing utility service for residential space heating shall not terminate such utility service between November 15 through March 15 if the customer:

(a) Notifies the utility of the inability to pay the bill. This notice shall be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances;

(b) Brings a statement from the department of social and health services or a grantee of the planning and community affairs agency which administers federally funded energy assistance programs, that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and which provides a dollar figure that is seven percent of household income;

(c) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any assistance received will be applied to the current bill and future utility bills;

(d) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is applicable for the dwelling;

(e) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15 and to pay for continued utility service. The plan shall not require monthly payments in excess of seven percent of the customer's monthly income during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but the plan shall not be invalidated unless payment during this period is less than seven percent. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(f) Agrees to pay the moneys owed even if he or she moves.

(2) The utility shall:

(a) Include in any notice that an account is delinquent and that service may be subject to termination a description of the customer's duties in this section;

(b) Assist the customer in fulfilling the requirements under this section;

(c) Be authorized to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the same utility service area; and

(d) Be permitted to disconnect service if the customer fails to honor the payment program. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this section.

(3) In distributing energy assistance funds pursuant to 42 U.S.C. Sec. 8624, the department of social and health services and grantees of the planning and community affairs agency shall make payments either directly to the utility or jointly payable to the customer and the utility.

(4) This section shall expire June 30, 1986.

\*Sec. 2 was partially vetoed, see message at end of chapter.

<u>NEW SECTION.</u> Sec. 3. There is added to chapter 54.16 RCW a new section to read as follows:

All districts shall offer to residential customers the option of a budget billing or equal payment plan.

\*Sec. 4. Section 80.28.010, chapter 14, Laws of 1961 and RCW 80-.28.010 are each amended to read as follows:

(1) All charges made, demanded or received by any gas company, electrical company or water company for gas, electricity or water, or for any service rendered or to be rendered in connection therewith, shall be just, fair, reasonable and sufficient.

(2) Every gas company, electrical company and water company shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.

(3) All rules and regulations issued by any gas company, electrical company or water company, affecting or pertaining to the sale or distribution of its product, shall be just and reasonable.

(4) Until June 30, 1986:

(a) Utility service for residential space heating shall not be terminated between November 15 through March 15 if the customer:

(i) Notifies the utility of the inability to pay the bill. This notice shall be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances;

(ii) Brings a statement from the department of social and health services or a grantee of the planning and community affairs agency which administers federally funded energy assistance programs, that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and which provides a dollar figure that is seven percent of household income;

(iii) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any assistance received will be applied to the current bill and future utility bills; (iv) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is applicable for the dwelling;

(v) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15 and to pay for continued utility service. The plan shall not require monthly payments in excess of seven percent of the customer's monthly income during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but the plan shall not be invalidated unless payment during this period is less than seven percent. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(vi) Agrees to pay the moneys owed even if he or she moves.

(b)The utility shall:

(i) Include in any notice that an account is delinquent and that service may be subject to termination a description of the customer's duties in this subsection;

(ii) Assist the customer in fulfilling the requirements under this subsection;

(iii) Be authorized to transfer an account to a new residence when a customer who has established a plan under this subsection moves from one residence to another within the same utility service area; and

(iv) Be permitted to disconnect service if the customer fails to honor the payment program. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this subsection.

(c) In distributing energy assistance funds pursuant to 42 U.S.C. Sec. 8624, the department of social and health services and grantees of the planning and community affairs agency shall make all payments either directly to the utility or jointly payable to the customer and the utility.

(d) A payment plan implemented under this subsection is consistent with RCW 80.28.080.

(5) Every gas company and electrical company shall offer residential customers the option of a budget billing or equal payment plan.

(6) Every gas company, electrical company and water company shall construct and maintain such facilities in connection with the manufacture and distribution of its product as will be efficient and safe to its employees and the public.

\*Sec. 4 was partially vetoed, see message at end of chapter.

<u>NEW SECTION.</u> Sec. 5. There is added to chapter 35.21 RCW a new section to read as follows:

Until 1986, cities and towns distributing electricity shall report annually to the legislature for utilities subject to its jurisdiction: (1) The extent to which chapter \_\_\_\_\_ (Engrossed Substitute Senate Bill No. 4490), Laws of 1984 benefits low income persons, and (2) the costs and benefits to other customers.

This section shall expire June 30, 1986.

<u>NEW SECTION.</u> Sec. 6. There is added to chapter 54.16 RCW a new section to read as follows:

Until 1986, districts distributing electricity shall report annually to the legislature for utilities subject to its jurisdiction: (1) The extent to which chapter \_\_\_\_\_ (Engrossed Substitute Senate Bill No. 4490), Laws of 1984 benefits low income persons, and (2) the costs and benefits to other customers.

This section shall expire June 30, 1986.

<u>NEW SECTION.</u> Sec. 7. There is added to chapter 80.28 RCW a new section to read as follows:

Until 1986, the Washington utilities and transportation commission shall report annually to the legislature for utilities subject to its jurisdiction: (1) The extent to which chapter \_\_\_\_ (Engrossed Substitute Senate Bill No. 4490), Laws of 1984 benefits low income persons, and (2) the costs and benefits to other customers.

This section shall expire June 30, 1986.

Passed the Senate March 8, 1984.

Passed the House March 8, 1984.

Approved by the Governor March 28, 1984, with the exception of sections 1(2)(c), 2(3), and 4(4)(c), which were vetoed.

Filed in Office of Secretary of State March 28, 1984.

Note: Governor's explanation of partial veto is as follows:

I am returning herewith, without my approval as to sections 1(2)(c), 2(3), and 4(4)(c), Substitute Senate Bill No. 4490, entitled:

"AN ACT Relating to residential space heating."

Engrossed Substitute Senate Bill No. 4490 provides that utilities which supply electrical or natural gas for home heating cannot discontinue service for low-income households between November 15 and March 15 during the next two years. If the customer does not comply with the payment provisions of this legislation, the utility is authorized to discontinue service.

I support the concept of prohibiting the arbitrary shut-off of utility space heating service during the winter months. The bill will provide necessary protection to needy families. However, the provisions that require low-income energy assistance payments to be made directly to the utility or jointly payable to the customer and the utility are not acceptable.

State agencies that distribute low-income energy assistance require flexibility to administer the program to the benefit of the families eligible to receive the assistance without the added penalty these sections would create. In addition, the provisions could prohibit any energy assistance payments to low-income households that heat with oil, bottled gas, coal or wood which are not purchased from utility companies.

For these reasons, I have vetoed sections 1(2)(c), 2(3), and 4(4)(c). The remaining sections of Substitute Senate Bill No. 4490 are approved.